

TAB

Approved For Release 1999/09/10 : CIA-RDP82-00283R000100140001-1.



Approved For Release 1999/09/10 : CIA-RDP82-00283R000100140001-1

~~SECRET~~

Control 452341
EIC-M-41

6 Jan 55

Let to EIC members with
request to phone in
changes.

7 Jan 55

OSI-3

25X1A9a

ECONOMIC INTELLIGENCE COMMITTEE

Minutes of Meeting Held in
Room 2125, Temporary "M" Building
26th Street and Constitution Avenue, N.W.

17 December 1954

26 Jan 55

Disseminated to
rest of
EIC div -
tributaries
list

PRESENT

Dr. Otto E. Guthe, CIA, Chairman

[REDACTED] CIA, Vice Chairman 25X1A9a

Colonel William C. Baird, Air Force

Colonel Lyman Bothwell, Army

Mr. Bennett Davis, Navy

Mr. Kingsley Hamilton, Air Force

Mr. Duncan Holmes, Army

Commander Burns Spore, Navy

Miss Marion Worthing, State

Dr. Howard Penniman, State

Mr. Samuel Whitt, Air Force

25X1A9a

[REDACTED] EIC/S

25X1A9a

[REDACTED] EIC/S

25X1A9a

[REDACTED] EIC, Executive Secretary

APPROVAL OF MINUTES

1. Action: The minutes of the EIC meeting of 2 December 1954 (EIC-M-40) were approved with the following changes in paragraph 9, page 4:

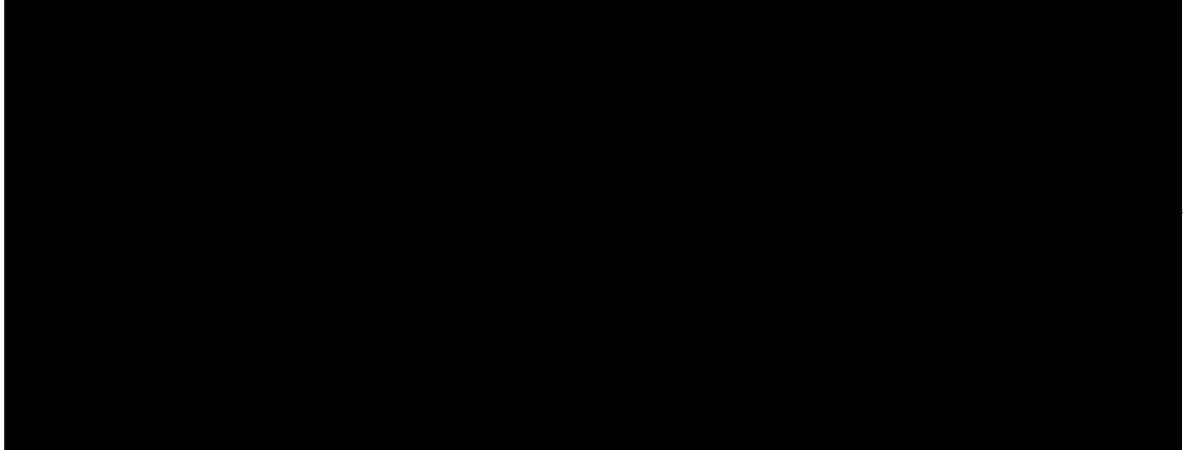
a. insertion of the word "internal" in line 14, so that it will refer to "to the value of such internal listings" and

b. revision of the last sentence to read, "The Chairman pointed out that if these survey listings of internal and external economic research, which have been prepared at considerable cost to the community, are of doubtful value then immediate reconsideration must be given to the activity of preparing such listings."

25X1X7

~~SECRET~~

25X1X7



NIE POST MORTEM

3. Discussion: Dr. Guthe called the attention of the members to the post mortems (TS) of NIE production which appear semiannually and which bring out the principal deficiencies in present research and collection efforts. He suggested that members not already familiar therewith might refer to IAC-D-57/2, 16 November 1954.

STATUS OF INDONESIAN STUDY

4. Discussion: The Chairman reported that the Department of State had submitted an excellent draft outline for the economic section of the new NIE on Indonesia, and that this appeared to be also a most appropriate outline for the study which had been requested by the DDI/CIA. State was proceeding with the preparation of this report as outlined, with G-2 and ONI submitting formal contributions to State on special aspects. It was understood that the finished contribution by State will be circulated to the members of the working group established 2 December 1954, for comments and consideration of the extent to which it meets the requirements of the DDI/CIA. On the basis of comments of the members of the working group the EIC will decide at that time whether or not any revisions of the State Department contribution are needed to incorporate additional material from other members of the EIC community.

The State Department member stressed that OIR would maintain close contact with both FOA and OFAS/Agriculture during the preparation of State's contribution.

SERVICES OFFERED BY THE EXTERNAL RESEARCH STAFF OF STATE DEPARTMENT

5. Discussion: Mr. Howard Penniman, Chief of the External Research Staff of State Department, briefly outlined the facilities and services which ERS generally offers to members of the economic

~~SECRET~~

~~SECRET~~

intelligence community. In tracing the history of ERS Mr. Penniman brought out that the range of their interest was considerably broader than the economic field, alone. At first they had been primarily devoted to private research but over the years accumulated more and more data on government sponsored research as well. Mr. Penniman noted that actually the first systematic survey of government sponsored economic research was prepared by [REDACTED] of the EIC Secretariat. Now, however, it has been agreed that ERS should undertake to service the EIC in its requirements for a continuing file of external research programs and for periodic listings of planned and completed projects thereunder. Among other services to the EIC is ERS's support to the Secretariat in the EIC's review of proposed external research contracts under DCID-15/1.

25X1A9a

VALUE OF SURVEY LISTINGS OF INTERNAL AND EXTERNAL GOVERNMENT RESEARCH TO THE ECONOMIC INTELLIGENCE COMMUNITY

6. Discussion: The Chairman called on each of the members in turn to give his views as to the value to his office of periodic EIC and ERS listings of research. Miss Worthing reemphasized that State had not meant to question the value of the existing listings; although she felt that OIR analysts had other means of obtaining most of this information. Other members agreed that these listings, while not "indispensable," were a very useful tool. G-2 and Air Force representatives stressed their expectation that the listings would be of even greater value to their offices in future. The listings were reported to be particularly useful to officials responsible for supervising several areas of analysis, and to analysts who might be relatively unfamiliar with the intelligence research going on in certain specialized government offices. It was brought out, for example, that the annual listing of internal research for 1953 had included certain economic research in G-3 which had not previously been reported to intelligence offices, not even to G-2. In response to an ONI query as to the cost of producing these listings, the Secretariat reported that during 1954 this activity had taken less than 25 percent of the time of a professional plus 25 percent of the time of a secretary-typist. Mr. Duncan Holmes, Army, then pronounced this the "bargain of the year." Colonel Baird mentioned that he had asked his staff for suggestions for refining and improving future surveys. He personally questioned the wisdom of asking the subcommittees to "review" surveys which had been prepared through the principal EIC representatives. [REDACTED] then pointed out that any comments of subcommittees were always referred to the principals concerned before being reflected in publications.

25X1A9a

7. Action: It was unanimously agreed that the surveys were performing a valuable function and should be continued. Members should consider what further improvements should be made in these surveys and present suggestions at an early meeting.

~~SECRET~~

~~SECRET~~

SURVEY OF ECONOMIC INTELLIGENCE RESEARCH ON PERIPHERAL NON-BLOC COUNTRIES

8. Discussion: Miss Worthing presented a revised State Department proposal which combined the previous suggestions of State and CIA, namely:

a. that the Secretariat proceed with its proposed listing of actual projects programmed or completed during 1954 (concentrating on important basic studies rather than seeking to cover every minor economic intelligence report), and

b. that OIR draft an "analytical critique" of the state of economic intelligence on each country, for consideration by the other members of the EIC and final approval of a coordinated evaluation.

This double approach would be undertaken on a trial basis, after which the members would decide as to the value of programming an annual or semiannual revision.

9. Mr. Hamilton of the Air Force noted that in his view the principal value is in having a "listing" available. He felt that individual analysts and programmers would want to actually get hold of the more pertinent studies listed, and would then form their own evaluation of their adequacy.

10. Action: It was agreed to proceed as proposed by State, eliminating the Philippines and Indonesia from the original list of countries proposed by the Secretariat. The Secretariat has already distributed instructions for the annual listing of internal research on the Soviet Bloc and should now circulate the names of the additional non-Bloc countries to be included. State will proceed with its critical analysis for submission to the membership through the Secretariat.

TOP SECRET SUPPLEMENT TO INTERNAL AND EXTERNAL LISTINGS

11. Action: Approval was given to the establishment in the EIC Secretariat of a Top Secret card file, supplementing the published listings of internal and external governmental economic research (as recommended by the EIC Working Group on Inventories (paragraph 10 of the Minutes of 5 November 1954, EIC-D-84). In addition to the card file, an actual listing of the contributions included would be prepared for circulation to the IAC agency members and alternates of the Main Committee, only.

~~SECRET~~

~~S-E-C-R-E-T~~

FUTURE PROPOSALS FOR NEW ASSOCIATE MEMBERS OF THE EIC

12. Discussion: The State Department representative inquired as to what criteria had governed the extension of invitations to agencies to become new associate members - as in the recent case of the U.S. Information Agency. It was explained that, originally, invitations to membership had been extended to all U.S. Government agencies reported (in the original NSC staff study which had led to the establishment of EIC) to be carrying on activities in the field of economic intelligence. New associate member agencies since that time have generally been continuations in some reorganized form of offices already represented in EIC activities. Thus the USIA had participated in the work of the EIC Subcommittee on Electronics and Telecommunications for more than a year; but originally had been under the general supervision of the State Department.

13. Action: It was agreed that hereafter the Secretariat should check with the representatives of the IAC agencies before the Chairman extended a formal invitation to some new or reorganized group.

ANNOUNCEMENT OF NEW MEMBERS

14. The committee noted the new members of the EIC and its subcommittees, a list of whom had been distributed prior to the meeting.

25X1A9a


Executive Secretary
Economic Intelligence Committee